

# DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

## FINANCIAL SUMMARY

	FY 2004 EXPENDITURE	FY 2005 APPROPRIATION	FY 2006 REQUEST	GOVERNOR RECOMMENDS FY 2006
General Administration	\$ 3,630,669,513	\$ 3,811,161,088	\$ 4,849,325,557	\$ 3,983,595,863
Information Technology	0	0	0	3,091,971
School Improvement/Teacher				
Quality and Urban Education	314,819,937	405,026,346	434,354,885	413,084,374
Vocational Rehabilitation	160,086,193	210,346,120	238,167,159	100,026,963
Vocational and Adult Education	62,218,393	74,558,979	96,270,992	75,945,805
Special Education	228,448,678	263,696,163	285,500,071	256,090,015
Board Operated School Programs	595,168	1,555,000	1,555,000	1,555,000
Commission for the Deaf	331,833	485,777	597,652	473,761
DEPARTMENTAL TOTAL	\$ 4,397,169,715	\$ 4,766,829,473 *	\$ 5,905,771,316	\$ 4,833,863,752
General Revenue Fund	215,355,717	220,626,797	291,536,285	186,604,581
Federal Funds	786,607,097	995,086,690	1,040,981,282	937,063,941
School District Bond Fund **	450,000	450,000	592,000	592,000
Certification of Interpreters Fund	83,253	125,000	125,000	125,000
Independent Living Center Fund	586,573	590,556	590,556	590,556
Outstanding Schools Trust Fund ***	394,365,579	396,200,000	396,200,000	435,800,000
Bingo Proceeds for Education Fund	1,707,167	1,707,167	1,707,167	1,707,167
Lottery Proceeds Fund	135,260,978	143,865,994	147,697,011	153,692,828
First Step Fund	0	6,000,000	0	0
State School Moneys Fund ****	2,128,882,005	2,246,907,105	3,230,441,963	2,325,709,602
Handicapped Children's Trust Fund	0	30,000	30,000	30,000
Excellence in Education Fund	1,867,043	2,934,010	2,934,010	2,936,533
Fair Share Fund	23,336,255	22,500,000	22,500,000	23,400,000
School District Trust Fund	690,348,889	706,400,000	748,700,000	748,700,000
Missouri Commission for the Deaf and Hard of Hearing Fund	2,159	50,000	50,000	50,300
Early Childhood Development, Education and Care Fund	17,721,832	21,831,154	20,161,042	15,336,244
School for the Blind Trust Fund	595,168	1,500,000	1,500,000	1,500,000
School for the Deaf Trust Fund	0	25,000	25,000	25,000
Full-time equivalent employees	1,854.39	1,968.15	1,967.99	1,932.99

\* Does not include \$12,425,867 recommended in the Fiscal Year 2005 Supplemental Appropriations, including \$5,552,794 general revenue. See the Supplemental section of the Missouri Budget for details regarding the Department of Elementary and Secondary Education supplemental appropriations.

\*\* The School District Bond Fund received the following transfers from the Gaming Proceeds for Education Fund: \$450,000 in Fiscal Year 2004 expenditure, \$450,000 in Fiscal Year 2005 appropriation, and \$495,926 in Governor recommends for Fiscal Year 2006.

\*\*\* The Outstanding Schools Trust Fund received the following transfers from general revenue: \$394,400,000 in Fiscal Year 2004 expenditure, \$396,200,000 in Fiscal Year 2005 appropriation, and \$435,800,000 in Governor recommends for Fiscal Year 2006.

\*\*\*\* The State School Moneys Fund received the following transfers from general revenue: \$1,837,494,202 in Fiscal Year 2004 expenditure, \$1,945,559,893 in Fiscal Year 2005 appropriation, and \$1,947,559,893 in Governor recommends for Fiscal Year 2006.

## DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

### POLICY SUMMARY

Governor Blunt's Fiscal Year 2006 budget provides a total of \$4.8 billion for elementary and secondary education. Direct state aid to local schools will increase \$170.6 million in Fiscal Year 2006 under the Governor's recommendations, which is a 4.7 percent increase. The core functions provided by the Department of Elementary and Secondary Education include:

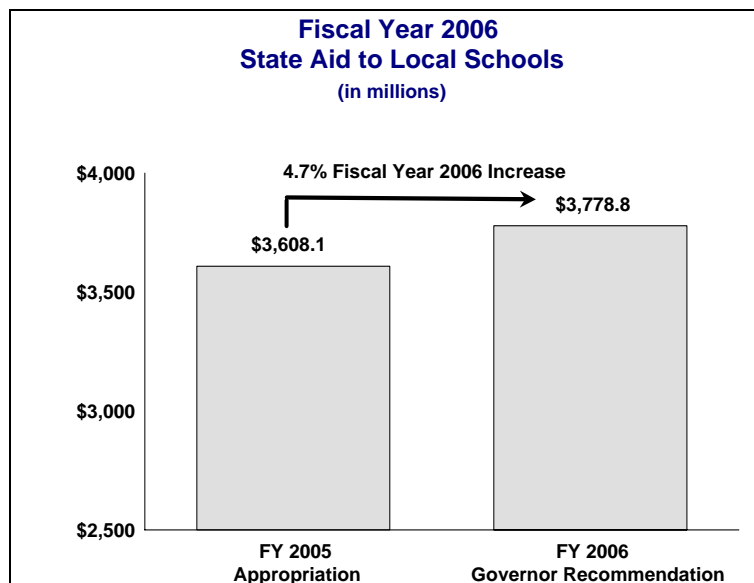
- Administering educational policies of the state and supervising instruction in the public schools.
- Distributing school funding, including the Foundation Program, Proposition C, Fair Share, County Foreign, and state and federal grant programs.
- Granting certificates of qualification and licenses to teach in the public schools of the state.
- Providing vocational rehabilitation services to Missourians with disabilities to help them obtain employment.

#### Accountable and Responsible Government

Public school funding must never again be held hostage for political purposes. Governor Blunt has pledged that he will ensure public school funding increases each year, and that he will never withhold funds from public schools. The Governor has directed state departments to reduce administrative costs by developing more efficient ways to provide public services. Our public schools must be held to the same standard so that a priority is placed on sending a greater percentage of education dollars to classrooms and teachers.

#### New Resources for Education

Governor Blunt intends to replace the current, broken foundation formula with one that better serves school children by equitably distributing funds to school districts. The Governor recognizes the importance of providing additional funding for education, but believes it must come from existing state revenues. For Fiscal Year 2006, Governor Blunt recommends a \$170.6 million increase in direct state aid for public schools, a 4.7 percent increase over Fiscal Year 2005.



#### Direct State Aid Highlights

**Parents As Teachers:** The Governor recommends a \$5 million increase for the Parents As Teachers Program, bringing total funding to \$35.3 million. This will provide services for approximately 10,600 additional families and increase the number of contacts for children age three to five from one to three per year.

**A+ Schools Program:** The Governor recommends a \$3.8 million increase for the A+ Schools Program, which provides community college tuition reimbursement for eligible graduates from designated A+ high schools. This increase brings total funding to \$16.4 million. The department anticipates that an additional 500 students will participate in the program in Fiscal Year 2006.

## DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

### **POLICY SUMMARY (Continued)**

**Special Education Excess Costs:** The Governor recommends \$6 million in new funding for costs incurred by school districts to educate severely disabled children that require contractual placements. Additional funding is needed to alleviate the severe financial hardship that districts incur in providing a quality education for these children.

### **Enhanced Federal Education Funds**

- \$18 million for special education services mandated by law. This funding will provide grants to local school districts to support services for students with disabilities.
- \$12.9 million for the school food program to provide students with nutritious meals and snacks.
- \$1.4 million through the Workforce Investment Act for public and private schools that provide occupational skills training.

**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION  
GENERAL ADMINISTRATION**

**FINANCIAL SUMMARY**

	FY 2004 EXPENDITURE	FY 2005 APPROPRIATION	GOVERNOR RECOMMENDS FY 2006
Administrative and Financial Services	\$ 6,186,549	\$ 9,770,922	\$ 8,637,199
Court-Ordered Payments	16,500,000	15,000,000	13,000,000
School Foundation Program Distribution	2,672,250,741	2,802,870,498	2,921,174,215
Early Grade Literacy/Professional Development	489,350	500,000	500,000
School Food Services	154,531,960	164,719,668	177,642,449
Fair Share Distribution	23,336,255	22,500,000	23,400,000
School District Trust Fund Distribution	690,348,889	706,400,000	748,700,000
County Foreign Insurance Tax Distribution	66,481,559	73,950,000	74,950,000
School District Bond Program	450,000	450,000	592,000
Federal Grants and Donations	94,210	15,000,000	15,000,000
<b>TOTAL</b>	<b>\$ 3,630,669,513</b>	<b>\$ 3,811,161,088</b>	<b>\$ 3,983,595,863</b>
General Revenue Fund	132,158,638	138,623,319	137,121,736
Federal Funds	154,618,791	184,415,605	196,679,943
Bingo Proceeds for Education Fund	1,707,167	1,707,167	1,707,167
Lottery Proceeds for Education Fund	104,021,045	112,136,487	112,136,487
Other Funds	3,238,163,872	3,374,278,510	3,535,950,530
Full-time equivalent employees	955.54	979.09	929.93

**ADMINISTRATIVE AND FINANCIAL SERVICES**

The Department of Elementary and Secondary Education is supervised by the State Board of Education, which consists of eight members appointed for eight-year terms by the Governor with the advice and consent of the Senate. The board appoints the Commissioner of Education as its chief administrative officer.

The Division of Administrative and Financial Services consists of all internal and external business functions of the department. It is responsible for distributing all federal and state funds to local school districts and other agencies. The external areas consist of the school finance, school food services, school governance, and facilities sections. The internal business areas consist of accounting and procurement, human resources, budget, research and planning, printing, publications, mail services, and telecommunications.

**Fiscal Year 2006 Governor's Recommendations**

- \$59,290 reallocated from various divisions for payment of overtime to nonexempt employees as required by HB 1548 (2004).
- \$33,356 for pay plan, including \$21,824 from general revenue.
- (\$1,226,369) and (24) staff reallocated for information technology resources that will be administered by the Office of Administration, including (\$487,551) general revenue.

**COURT-ORDERED PAYMENTS**

Court supervision of the St. Louis and Kansas City school districts ended in 1999. State desegregation payments in the Kansas City case ended in Fiscal Year 1999 pursuant to a settlement in 1997. With passage of SB 781 in 1998, local voter approval of matching funds in February 1999, and court approval in March 1999, St. Louis desegregation operating budget payments were ended in Fiscal Year 1999, while transfer costs and capital improvement payments will be phased out. Fiscal Year 2001 payments totaled \$50 million, with \$25 million for voluntary transfer costs and \$25 million for capital costs. The Fiscal Year 2002 and Fiscal Year 2003 budgets included \$20 million for capital outlays in St. Louis. The Fiscal Year 2006 budget includes a recommendation for \$13 million for capital outlays in St. Louis. As these payments phase out, savings will be redirected to the school foundation formula for the benefit of school districts across the state.

**Fiscal Year 2006 Governor's Recommendations**

- (\$2,000,000) reallocated to the foundation formula as required by law.

# DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

## GENERAL ADMINISTRATION (Continued)

### FINANCIAL SUMMARY

	FY 2004 EXPENDITURE	FY 2005 APPROPRIATION	GOVERNOR RECOMMENDS FY 2006
Teachers Participating in the Career Ladder Program	16,982	17,100	17,400
Early Childhood Development Screenings	123,562	142,987	142,987
Families Served by Parent Education	152,681	164,369	175,007
Students Provided Early Childhood Special Education	10,893	11,300	11,700
Equity Formula	\$ 1,718,574,919	\$ 1,808,136,395	\$ 1,882,305,259
At-Risk Program	357,284,259	373,955,326	413,188,959
Transportation	152,166,933	162,067,713	162,067,713
Special Education	149,617,387	149,617,982	149,617,982
Remedial Reading	11,096,445	11,096,925	11,096,925
Early Childhood Special Education	96,255,272	102,011,209	102,011,209
Gifted Programs	23,415,939	24,870,104	24,870,104
Career Ladder	37,297,656	38,684,374	38,684,374
Vocational Education	52,080,427	52,880,428	52,880,428
Early Childhood Development	27,895,933	30,304,651	35,304,651
State Board Operated Schools	46,565,571	49,245,391	49,146,611
TOTAL	\$ 2,672,250,741	\$ 2,802,870,498	\$ 2,921,174,215
General Revenue Fund	43,050,533	43,404,143	43,308,997
Federal Funds	1,807,871	4,134,081	4,130,447
Outstanding Schools Trust Fund	393,181,996	394,997,395	434,597,395
Bingo Proceeds for Education Fund	1,707,167	1,707,167	1,707,167
Lottery Proceeds Fund	103,773,485	111,880,607	111,880,607
State School Moneys Fund	2,128,729,689	2,246,747,105	2,325,549,602
Full-time equivalent employees	861.00	882.59	857.43

### SCHOOL FOUNDATION PROGRAM DISTRIBUTION

The foundation formula provides equitable education funding for school children. The formula apportions money to school districts based on local effort as measured by the local property tax levy for school purposes and on local wealth. Increased local effort results in higher state funding, while increased local wealth results in lower state funding. Fully funded, the formula ensures that a one-penny levy provides the same funding to 95 percent of all students from a combination of equity formula and local property tax revenues.

In addition, the Foundation Program includes funding for eight categorical add-on programs, including programs for special needs students, transportation, special education, gifted, remedial reading, career ladder, vocational education, and early childhood development programs. Extra funding is also provided to districts based on the number of students eligible for the federal Free- and Reduced-Price Lunch Program. While the money received for this program must be spent on programs for children with special educational needs, the local school district chooses which special needs programs will be funded.

The transportation add-on pays school districts up to 75 percent of the allowable costs of school bus and other transportation. The special education add-on assists districts in providing required educational services to students with disabilities. The special education add-on also includes funding for early childhood special education that serves children ages three and four. The gifted add-on provides up to 75 percent of the cost of instructor salaries and materials to provide appropriate opportunities for gifted students.

## **DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION**

### **GENERAL ADMINISTRATION (Continued)**

The Career Ladder Program provides an incentive to teachers, librarians, and counselors who voluntarily participate in professional development activities. The program provides for three career stages with salary supplements of up to \$1,500, \$3,000, and \$5,000. Each stage requires the teacher to obtain a higher level of professional development. This program is financed by state and local matching funds. Each district's local match is determined by its wealth, as measured by its assessed valuation per pupil, with wealthier districts paying a higher local match. In addition, teachers that complete the National Board for Professional Teaching Standards Program are automatically placed in the third career stage.

The Early Childhood Development Program authorizes state reimbursement to school districts that provide any of three programs for preschool children: 1) developmental screening to measure the progress of children and to determine problems, potential problems, or advanced abilities in understanding, use of language, sight, hearing, motor development, health, and physical development; 2) parent education to provide resource materials and guidance to parents to improve learning in the home; and 3) programs for developmentally delayed children to provide individual and group counseling and learning activities to help these children catch up with their peers before entering school.

State funding for vocational education programs serves as an incentive to public schools to offer vocational education programs. Also, some state vocational education funds are distributed to institutions of higher education, state agencies, and business establishments.

This appropriation also includes state funding for Missouri's State Board Operated Schools. This program is discussed in detail later in this budget.

### **Fiscal Year 2006 Governor's Recommendations**

- \$91,350,048 other funds for equity.
- \$20,052,449 other funds for the At-Risk Program.
- \$5,000,000 Outstanding Schools Trust Fund for Parents as Teachers.
- \$303,884 for Board Operated Schools pay plan, including \$287,818 general revenue.
- \$18,821,184 State School Moneys Fund reallocated to the At-Risk Program from equity.
- \$1,640,000 State School Moneys Fund reallocated from desegregation payments to equity as required by law.
- \$360,000 State School Moneys Fund reallocated from desegregation payments to the At-Risk Program as required by law.
- (\$18,821,184) State School Moneys Fund reallocated from equity to the At-Risk Program.
- (\$347,196) and (five) staff reallocated for information technology resources that will be administered by the Office of Administration, including (\$327,496) general revenue.
- (\$55,468) reallocated for payment of overtime to nonexempt employees as required by HB 1548 (2004).
- (20.16) staff core reduction from the Fiscal Year 2005 appropriation level.

### **EARLY GRADE LITERACY PROGRAM**

In addition to the professional development provided to teachers through the foundation formula, additional funding has been provided through this program to help improve early literacy teaching statewide. Funds are used to train Reading Recovery teachers across the state in order to encourage school districts to implement a Reading Recovery Program, train Early Literacy teachers who will work with small groups of at-risk students, and train teacher leaders at approved sites.

### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

## **DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION**

### **GENERAL ADMINISTRATION (Continued)**

#### **SCHOOL FOOD SERVICES**

This program reimburses school districts for food services to enable them to offer nutritionally balanced, low-cost meals for school children. Federal funds, required state matching funds, local funds, and commodities donated by the U.S. Department of Agriculture minimize the meal charge to children.

##### **Fiscal Year 2006 Governor's Recommendations**

- \$12,922,781 federal funds for school food services.

#### **FAIR SHARE DISTRIBUTION**

Tax receipts from four cents per cigarette pack are deposited in the Fair Share Fund established by Section 149.015, RSMo. Funds are distributed to elementary and secondary schools on the basis of average daily attendance of the school district.

##### **Fiscal Year 2006 Governor's Recommendations**

- \$900,000 Fair Share Fund for distribution to school districts.

#### **SCHOOL DISTRICT TRUST FUND DISTRIBUTION**

Proposition C provides a one percent sales tax for elementary and secondary education. Revenue generated by this tax is deposited in the School District Trust Fund and distributed based on the number of eligible pupils in each school district.

##### **Fiscal Year 2006 Governor's Recommendations**

- \$42,300,000 School District Trust Fund for distribution to school districts.

#### **COUNTY FOREIGN INSURANCE TAX**

The County Foreign Insurance Tax represents the receipts of a two percent, per annum tax levied on the direct premiums of insurance companies not based in Missouri but doing business in Missouri. One-half of the net receipts of the County Foreign Insurance Tax from the previous year are distributed by the state to school districts on the basis of the number of school children within each county pursuant to Section 148.360, RSMo.

##### **Fiscal Year 2006 Governor's Recommendations**

- \$1,000,000 for distribution to school districts.

#### **SCHOOL DISTRICT BOND PROGRAM**

SB 301 (1995) created the School District Bond Fund for use by the Missouri Health and Education Facilities Authority to pay costs associated with school bond issues and credit enhancement. The law allows up to \$7 million per year to be transferred from the Gaming Proceeds for Education Fund to the School District Bond Fund. Due to budget constraints the last several years, this program has only been funded to pay the fees that allow districts to take advantage of the State's AAA bond rating.

##### **Fiscal Year 2006 Governor's Recommendations**

- \$142,000 School District Bond Fund for assistance with costs of local school bond issuances.

## **DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION**

### **GENERAL ADMINISTRATION (Continued)**

#### **FEDERAL GRANTS AND DONATIONS**

The federal grants and donations appropriation provides authority to accept and make use of federal grants and donations that may become available during the fiscal year. The department will notify the House and Senate budget committees and the Office of Administration prior to acceptance of any new financial assistance or grants.

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

### **INFORMATION TECHNOLOGY**

Governor Blunt has ordered that management of state information technology resources be consolidated under the Office of Administration. This should result in enhanced service at a lower cost. For Fiscal Year 2006, information technology resources will be reallocated to a new section within the department's budget that will be under the control of the Office of Administration.

#### **Fiscal Year 2006 Governor's Recommendations**

- \$3,070,160 and 58 staff reallocated from various divisions for information technology resources that will be administered by the Office of Administration, including \$937,217 general revenue.
- \$21,811 for pay plan, including \$7,438 general revenue.

### **DIVISIONS OF SCHOOL IMPROVEMENT/TEACHER QUALITY AND URBAN EDUCATION**

#### **DIVISION OF SCHOOL IMPROVEMENT**

The Division of School Improvement provides consultant services to administrators and teachers in the areas of instruction and curriculum development. The division classifies and accredits school districts through the Missouri School Improvement Program. The division assists school districts in expanding or improving curriculum and instructional programs. It administers three Outstanding Schools Act programs and provides payments and local program approval for the Early Childhood Development, A+ Schools and the Safe Schools programs. The division also assists school districts in establishing and funding gifted education programs and administers the Missouri Scholars and Fine Arts Academies. In addition, the division manages the following federal programs: Title I, II, III, IV, V, Title 1 Reading First, Federal Refugee, Instructional Improvements Grants, and Drug Abuse Education.

#### **Fiscal Year 2006 Governor's Recommendations**

- \$40,572 for pay plan, including \$13,945 general revenue.
- \$239,517 reallocated from Adult Basic Education.
- (\$239,517) Outstanding Schools Trust Fund reallocated to Adult Basic Education.
- (\$166,799) and (four) staff reallocated for information technology resources that will be administered by the Office of Administration, including (\$97,875) general revenue.

#### **DIVISION OF TEACHER QUALITY AND URBAN EDUCATION**

The Division of Teacher Quality and Urban Education contains the teacher certification, professional conduct and investigation, teacher recruitment and retention, professional development, and urban education sections. The division issues teaching certificates, conducts background checks, reviews teacher education preparation programs, and provides opportunities to teachers and administrators for ongoing professional development. The division administers the National Board for Professional Teaching Standards Program, the Career Ladder Program, and teacher education assessment.

#### **Fiscal Year 2006 Governor's Recommendations**

- \$10,434 for pay plan, including \$10,072 from general revenue.
- \$59,650 reallocated from Adult Basic Education.
- (\$172,466) federal funds core reduction from the Fiscal Year 2005 appropriation level.
- (\$59,650) Outstanding Schools Trust Fund reallocated to Adult Basic Education.
- (\$2,801) reallocated for payment of overtime to nonexempt employees as required by HB 1548 (2004).
- (\$234) reallocated for information technology resources that will be administered by the Office of Administration, including (\$134) general revenue.



## **DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION**

### **DIVISIONS OF SCHOOL IMPROVEMENT/TEACHER QUALITY AND URBAN EDUCATION (Continued)**

#### **TITLE II, PART D - COMPUTER NETWORKING**

Federal funds are available to local schools under Title II to improve student academic achievement through the use of technology in elementary and secondary schools. Funds are used to allow school districts to implement comprehensive school improvement plans through the use of technology. Priority is given to schools that serve large numbers or percentages of economically disadvantaged students and schools designated as "technology poor."

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

#### **TITLE I – COMPENSATORY EDUCATION**

Federal funds are available to local schools under Title I for compensatory education. Entitlements are awarded to school districts, institutions for delinquents, state institutions for the disabled, and adult correctional institutions with inmates under the age of 21. The grants are used to fund programs in remedial math, language arts, and reading.

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

#### **TITLE I – READING FIRST GRANT PROGRAM**

Funded through Title I, this grant program provides resources to school districts for teacher professional development focused on reading instruction. The program serves students in the primary grades, and a small portion may also be used for purchasing reading materials used for instruction.

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

#### **FEDERAL INSTRUCTIONAL IMPROVEMENT GRANTS**

Under Title V, states receive a percentage share of the federal appropriation based on the population from ages 5 through 17 years. At least 85 percent of the funds received by a state must be passed through to local educational agencies for education reform, programs for at-risk youth, professional development, and class size reduction.

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

#### **STEPHEN M. FERMAN MEMORIAL FOR EDUCATION OF THE GIFTED**

Mr. Milton Ferman and Mrs. Frieda Morgan Ferman established the Stephen Morgan Ferman Memorial for Education of the Gifted. Donations were made in their son's name, and the annual income may be expended through the State School Moneys Fund to enhance the educational opportunities of teachers of the gifted.

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

## **DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION**

### **DIVISIONS OF SCHOOL IMPROVEMENT/TEACHER QUALITY AND URBAN EDUCATION (Continued)**

#### **MISSOURI SCHOLARS AND FINE ARTS ACADEMIES**

The Missouri Scholars and Fine Arts Academies are three-week summer sessions for gifted students. The academies assist gifted students to achieve their full potential and stimulate the establishment and improvement of programs for gifted students.

##### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

#### **EARLY CHILDHOOD PROGRAM**

The Early Childhood Program provides grants to schools and community partnerships for early childhood development and education programs.

##### **Fiscal Year 2006 Governor's Recommendations**

- (\$1,787,512) Early Childhood Development, Education and Care Fund core reduction from the Fiscal Year 2005 appropriation level.

#### **HEAD START COLLABORATION**

The program funds grants to support the development of public-private partnerships to promote and improve early childhood programs.

##### **Fiscal Year 2006 Governor's Recommendations**

- \$300,000 federal funds for Head Start Collaboration.

#### **A+ SCHOOLS PROGRAM**

A+ Schools must design programs to ensure that all students graduate from school, complete a challenging course of studies with identified learner expectations, and proceed from graduation to postsecondary education or a high-wage job. The program provides career choices and community college scholarships for students who might otherwise be unable to attend college.

##### **Fiscal Year 2006 Governor's Recommendations**

- \$3,826,834 Lottery Proceeds Fund for the A+ Schools Program.

#### **STUDENT ASSESSMENT PROGRAM**

The Department of Elementary and Secondary Education is required to develop a statewide assessment system for districts to determine the degree to which their students are proficient in the knowledge, skills, and competencies necessary to be successful in the workplace and postsecondary education. The assessment must show what students can do as well as what they know. The Federal No Child Left Behind Act requires these assessments to be expanded to additional grade levels.

##### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

## **DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION**

### **DIVISIONS OF SCHOOL IMPROVEMENT/TEACHER QUALITY AND URBAN EDUCATION (Continued)**

#### **ADVANCED PLACEMENT AND DUAL CREDIT INCENTIVES**

The budget includes state funds to recognize public high school students who perform at a “proficient” or “advanced” level on statewide assessments. School districts will be eligible to receive grants on behalf of eligible students. The grants will pay for courses and/or exam fees that lead to college credit for these students. Federal funds are also available to assist low-income children in taking advanced placement examinations for college credit. Due to budget restraints, the Dual Credit portion of this program was not funded in FY 2005.

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

#### **TITLE II – IMPROVING TEACHER QUALITY**

Funded through Title II, the federal Improving Teacher Quality Program authorizes grants to state and local education agencies for instructional improvements. School districts may use the funds to upgrade the skills and recruitment of teachers and administrators and to reduce class size.

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

#### **SAFE AND DRUG FREE SCHOOLS GRANT**

The Department of Elementary and Secondary Education is eligible, on behalf of schools or groups of schools, for federal assistance under Title IV. The objectives of this program are to establish or designate local or regional advisory councils on drug abuse prevention; to establish or augment drug abuse education and prevention programs for students; and to coordinate school-based drug abuse programs with other programs in the community and with state and local health, drug and alcohol abuse, and law enforcement agencies.

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

#### **SAFE SCHOOLS GRANTS**

The Safe Schools Grant Program is designed to help school districts implement safe school strategies to meet local needs. The grants can be used to purchase devices to improve physical security; to work with local police departments to provide police officers in school buildings; to develop other programs to increase security; and to place violent, abusive, and disruptive students in alternative education settings.

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

#### **PUBLIC CHARTER SCHOOLS PROGRAM**

The Public Charter Schools Program was established to provide federal financial assistance for charter schools. Federal grants are awarded for planning, program design, and initial implementation of a charter school.

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

## **DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION**

### **DIVISIONS OF SCHOOL IMPROVEMENT/TEACHER QUALITY AND URBAN EDUCATION (Continued)**

#### **SCHOLARSHIP PROGRAM**

The Scholarship Program established by the Excellence in Education Act of 1985 provides \$2,000 non-renewable scholarships to teacher education students. The department provides \$1,000 of the cost of each scholarship with \$1,000 provided by the participating college or university.

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

#### **COMPREHENSIVE SCHOOL REFORM DEMONSTRATION INITIATIVE**

The Comprehensive School Reform Demonstration Initiative authorizes a research-based reform program that will allow grant awards to public schools for the implementation of whole-school, research-based reforms that qualify for funding.

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

#### **NATIONAL BOARD CERTIFICATION**

Federal grants will provide financial support for Missouri teachers who elect to seek National Board Certification.

#### **Fiscal Year 2006 Governor's Recommendations**

- \$10,000 federal funds to assist teachers in obtaining National Board Certification.

#### **RURAL AND LOW-INCOME SCHOOLS**

Funding through Title VI, the Federal Rural and Low-Income Schools Program authorizes grants to rural and low-income schools for resources needed to obtain federal grants.

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

#### **TITLE III – LANGUAGE ACQUISITION**

Funding through Title III, the federal Language Acquisition Program authorizes grants to ensure that children attain English proficiency.

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

#### **FEDERAL REFUGEE PROGRAM**

The federal Department of Health and Human Services provides funding through the Refugee Children School Impact Grants Program to states and school districts. The funding defrays some of the costs faced by local school districts with significant numbers of refugee children.

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

## **DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION**

### **DIVISIONS OF SCHOOL IMPROVEMENT/TEACHER QUALITY AND URBAN EDUCATION (Continued)**

#### **CHARACTER EDUCATION INITIATIVE**

The Character Education Initiative provides character education teacher training and resources to Missouri school districts. The training and resources will allow schools to emphasize the importance of universal values.

##### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

#### **MISSOURI STATE ACTION FOR EDUCATION LEADERSHIP PROJECT**

The Missouri State Action for Education Leadership Project is a federal grant program designed to further the recruitment, training, and retention of school principals. The grant is funded from the Wallace Readers Digest group through the Council of Chief State School Officers.

##### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

### **DIVISION OF VOCATIONAL REHABILITATION**

The Division of Vocational Rehabilitation provides services to Missourians with disabilities to help them overcome impediments to employment. Counseling, training, and medical services are provided based on the specific needs of each client. Vocational Rehabilitation counselors evaluate each client and prepare an individual rehabilitation plan.

##### **Fiscal Year 2006 Governor's Recommendations**

- \$246,250 federal funds for pay plan.
- (\$980,900) federal funds and (18) staff reallocated for information technology resources that will be administered by the Office of Administration.
- (\$648,436) and (15) staff transferred to the Department of Health and Senior Services, including (\$324,218) general revenue.

#### **VOCATIONAL REHABILITATION GRANT**

The Vocational Rehabilitation Program provides job training, medical assistance, and other services to individuals with disabilities to help them function effectively in the job market. To be eligible for vocational rehabilitation services, a person must have a physical or mental disability that interferes with his or her ability to obtain or hold employment and have a reasonable chance of being able to work in suitable employment if appropriate services are provided.

##### **Fiscal Year 2006 Governor's Recommendations**

- \$275,683 to match available federal funds.

#### **DISABILITY DETERMINATIONS GRANT**

The federal Social Security Administration contracts with the Department of Elementary and Secondary Education to determine whether applicants for Social Security benefits meet the necessary criteria for disabilities. The program involves purchasing extensive medical and vocational evaluations. An applicant's cost of travel to examinations is also paid from this grant. The program is funded entirely from federal funds.

##### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

## **DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION**

### **DIVISION OF VOCATIONAL REHABILITATION (Continued)**

#### **PERSONAL CARE ASSISTANCE**

Many individuals with severe physical disabilities are confined to their homes or to institutions because they are unable to perform routine daily tasks such as bathing, dressing, and eating. The Personal Care Assistance Program provides personal attendant care to such persons to enable them to live more independently, maintain their current employment, or become employable.

#### **Fiscal Year 2006 Governor's Recommendations**

- (\$67,567,837) transferred to Department of Health and Senior Services, including (\$26,141,763) general revenue.
- (\$8,264,373) core reduction from the Fiscal Year 2005 appropriation level, including (\$4,610,800) general revenue.

#### **MEDICAID FEE FOR SERVICE**

This program distributes funds to schools in order to pay for school-based early and periodic screening, diagnosis, and treatment services.

#### **Fiscal Year 2006 Governor's Recommendations**

- (\$33,369,908) transferred to the Department of Social Services, including (\$69,954) general revenue.

#### **INDEPENDENT LIVING CENTERS**

The department is authorized to establish and maintain independent living centers to ensure statewide access for the severely disabled. Centers provide disabled Missourians with self-help skills and knowledge to live more independently.

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

#### **PROJECT SUCCESS GRANT**

The federal program, Strategies Utilizing Collaboration for Competitive Employment and Self Sufficiency (SUCCESS), authorizes the Division of Vocational Rehabilitation to expand employment opportunities for individuals with mental or physical disabilities who receive public support. A pilot project will be developed for the Missouri Career Center located in Columbia, Missouri, with the intention to exhibit promising new strategies for replication across Missouri's 14 workforce investment regions.

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

### **DIVISION OF VOCATIONAL AND ADULT EDUCATION**

The Division of Vocational and Adult Education provides individuals with services that supply the technical knowledge and skills needed to prepare for employment. The division also develops state plans for vocational and adult education and literacy that form the basis for distribution of federal and state funds to local education agencies. Other division responsibilities include reviewing and approving vocational and adult education programs operated by local education agencies, processing applications for the tests of General Educational Development, and assisting with the development and implementation of skill training programs for unemployed and underemployed adults.

#### **Fiscal Year 2006 Governor's Recommendations**

- \$32,947 for pay plan, including \$12,796 general revenue.
- (\$153,271) and (two) staff reallocated for information technology resources that will be administered by the Office of Administration, including (\$22,000) general revenue.
- (\$673) reallocated for payment of overtime to nonexempt employees as required by HB 1548 (2004).

## **DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION**

### **DIVISION OF VOCATIONAL AND ADULT EDUCATION (Continued)**

#### **DISTRIBUTION TO SCHOOLS**

Grants are provided to educational institutions for improving vocational-technical programs. The grants may be used to provide new programs, enhance curricula, and upgrade equipment and facilities. At least 75 percent of program funding must be used for projects related to occupations with high labor market demand-to-supply ratios.

The state provides financial support to vocational programs located in public school districts, institutions of higher education, state agencies, and business establishments. Programs are designed to prepare individuals for gainful employment. The department distributes federal vocational funds and state funds to local school districts according to guidelines developed in an annual state plan for vocational education. The state and federal funds serve as an incentive to public schools to offer vocational education programs.

Since Fiscal Year 1987, new funds for area vocational schools are distributed through the "Effectiveness Index Formula," which resulted from an intensive study of vocational education completed in 1984. The formula rewards schools that provide programs with high placement rates and high labor market demand-to-supply ratios.

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

#### **WORKFORCE INVESTMENT ACT GRANTS**

The federal Workforce Investment Act provides federal funds that can be used for skill training for 15 service delivery areas in Missouri. The service delivery areas contract with the Department of Elementary and Secondary Education to plan, implement, and administer skill-training programs. Vocational schools, community colleges, or proprietary schools conduct the actual training.

#### **Fiscal Year 2006 Governor's Recommendations**

- \$1,432,823 federal funds for workforce grants.

#### **ADULT BASIC EDUCATION**

The Department of Elementary and Secondary Education works with local public schools to establish adult basic education programs. The adult basic education programs provide training in the fundamental skills of English, reading, and mathematics. To enroll in a class, a person must be 16 years of age or older, out of school, and lacking a high school diploma.

#### **Fiscal Year 2006 Governor's Recommendations**

- \$1,184,991 reallocated from the Special Literacy Grant Program.
- \$239,517 Outstanding Schools Trust Fund reallocated from the Division of School Improvement.
- \$59,650 Outstanding Schools Trust Fund reallocated from the Division of Teacher Quality/Urban Education.
- (\$239,517) reallocated to the Division of School Improvement.
- (\$59,650) reallocated to the Division of Teacher Quality/Urban Education.

#### **SPECIAL LITERACY GRANT AWARD PROGRAM**

The Special Literacy Grant Award Program was established to respond to the increasing numbers of adults needing adult basic education services. A significant number of adults request services due to the mandatory participation requirements of the federal TANF/FUTURES Program.

#### **Fiscal Year 2006 Governor's Recommendations**

- (\$1,184,991) reallocated to Adult Basic Education.

## **DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION**

### **DIVISION OF VOCATIONAL AND ADULT EDUCATION (Continued)**

#### **SCHOOL-AGE CHILD CARE**

The federal Child Care and Development Block Grant provides funds to house school-aged child care programs in school buildings when they are not being used for educational classes. Program evaluation and technical assistance are provided to local schools interested in implementing school-age child care programs. The child care programs must be in compliance with state and local licensing laws and regulations governing care for school-aged children.

#### **Fiscal Year 2006 Governor's Recommendations**

- \$75,000 for the Afterschool Network Program.

#### **TROOPS TO TEACHERS**

The Troops to Teachers Program is designed to encourage military personnel transitioning to the civilian labor force to consider teaching as a post-military career.

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

### **DIVISION OF SPECIAL EDUCATION**

The Division of Special Education is responsible for state and federal special education funds for Missouri public schools. The division also administers the budgets appropriated for the State Schools for the Severely Handicapped, School for the Deaf, and School for the Blind. Staff in the division monitor local school district programs for compliance with state and federal laws. The division also provides technical assistance and distributes state funds to the extended employment sheltered workshops.

#### **Fiscal Year 2006 Governor's Recommendations**

- \$17,554 for pay plan, including \$1,989 general revenue.
- (\$171,678) and (five) staff reallocated for information technology resources that will be administered by the Office of Administration, including (\$84) general revenue.

#### **SPECIAL EDUCATION EXCESS COSTS**

The program assists school districts with costs incurred for students with severe disabilities.

#### **Fiscal Year 2006 Governor's Recommendations**

- \$6,000,000 Lottery Proceeds Fund for special education excess costs.

#### **SPECIAL EDUCATION GRANT**

The Special Education Program provides federal grants to school districts to assist them in education programs and services for disabled children at the preschool, elementary, and secondary levels. The grants are used to purchase instructional and technological equipment and to purchase the services of teachers, ancillary staff, diagnostic staff, and administrators for better management of services to people with disabilities. The funds may also be used to provide in-service training for special education teachers and financial assistance to special education teachers working toward full certification.

#### **Fiscal Year 2006 Governor's Recommendations**

- \$18,000,000 federal funds for special education grants.



## **DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION**

### **DIVISION OF SPECIAL EDUCATION (Continued)**

#### **EXCESS COSTS/SEVERE DISABILITIES SERVICES**

The Excess Costs/Severe Disabilities Services Program was established to assist school districts in providing special education services to students with severe disabilities that would otherwise attend a State Board Operated School.

##### **Fiscal Year 2006 Governor's Recommendations**

- (\$2,128,634) federal funds core reduction from the Fiscal Year 2005 appropriation level.

#### **FIRST STEPS**

First Steps is an early childhood intervention program that serves children with severe developmental delays from birth to age two.

##### **Fiscal Year 2006 Governor's Recommendations**

- (\$23,323,390) core reduction from the Fiscal Year 2005 appropriation level, including (\$2,584,155) general revenue.

#### **DSS/DMH SCHOOL PLACEMENTS**

Children in residential placements through the Department of Social Services or the Department of Mental Health often are enrolled in schools outside their home districts. The state reimburses the districts where these children attend school for certain educational services when the costs exceed the amount received from the children's domiciliary districts and regular state school payments.

##### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

#### **OPERATING MAINTENANCE AND REPAIR**

The State Board of Education operates two residential facilities, the School for the Blind in St. Louis and the School for the Deaf in Fulton, and day-school facilities – the State Schools for the Severely Handicapped, located throughout the state. This program allows maintenance staff to purchase materials and supplies to perform preventive maintenance.

##### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

#### **SHELTERED WORKSHOPS**

Sheltered workshops are not-for-profit corporations that give people with disabilities a controlled working environment. Programs are designed to enable persons to progress toward normal living and develop their work capacities. A workshop is set up and operated as a business. The manager of the workshop bids on and acquires contracts for work from industries in the community. The Department of Elementary and Secondary Education assists the workshops in management, production, bidding, and pricing techniques.

##### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

#### **READERS FOR THE BLIND**

The Readers for the Blind Program provides payments of \$500 per year, per blind student enrolled in elementary and secondary schools to employ readers. Blind students attending local elementary and secondary schools need reading assistance when Braille or large print materials are unavailable.

##### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

## **DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION**

### **DIVISION OF SPECIAL EDUCATION (Continued)**

#### **BLIND LITERACY TASK FORCE**

The Blind Literacy Task Force was established to develop goals and objectives to guide the improvement of special education, related services, vocational training, transition from school to work, rehabilitation services, independent living, and employment outcomes for blind and visually impaired students.

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

### **BOARD OPERATED SCHOOLS OPERATIONS**

The Missouri School for the Deaf provides elementary and secondary education in a residential environment for deaf- or hearing-impaired students from ages 5 to 21 years. Located in Fulton, Missouri, the school provides separate facilities for primary age, intermediate age, and high school students. To be admitted to the Missouri School for the Deaf, a child must be a resident of Missouri and manifest a hearing loss that seriously limits his or her chances of success in a regular public school program. The school is tuition-free with no charge for room, board, transportation, laundry, or books. In addition to direct educational programs, the school offers extensive outreach and resource services to local educational agencies.

The Missouri School for the Blind, located in St. Louis, Missouri, offers elementary and secondary education in a residential school environment for blind or visually impaired students from ages 5 to 21. The school provides special teaching methods, materials, and curriculum needed by children with vision impairment. A program for students provides diagnosis, evaluation, individualized programming, physical therapy, occupational therapy, speech and language therapy, adaptive physical education, and audiological examinations.

State law mandates that all children in Missouri, regardless of any disabling condition, be entitled to an appropriate educational program. For students too severely disabled to be served effectively by local public schools, the Department of Elementary and Secondary Education operates 37 state schools and contracts with private non-profit agencies to provide educational services for children the state schools cannot practically serve. These schools offer day programs in basic and prevocational training with the ultimate goal of assisting students in functioning semi-independently in their homes and communities. Programs include self-care, sensory and perceptual training, language development, interpersonal relations, home-living, and functional academics. The state provides transportation for the students. State funding for the State Board Operated Schools is appropriated in the Foundation Program.

#### **SCHOOL FOR THE DEAF TRUST FUND**

The School for the Deaf Trust Fund was established by law to receive gifts and bequests from individuals who wish to assist the Missouri School for the Deaf. The funds are invested or used for program improvements and facility additions at the School for the Deaf. Some funds are specifically donated for awards to students in areas such as scholarship, character, and leadership.

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

#### **SCHOOL FOR THE BLIND TRUST FUND**

The School for the Blind Trust Fund was established by law to receive gifts and bequests from individuals who wish to assist the Missouri School for the Blind. The funds are invested or used for program improvements and facility additions at the School for the Blind.

#### **Fiscal Year 2006 Governor's Recommendations**

Continue funding at the current level.

## DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

### BOARD OPERATED SCHOOLS OPERATIONS (Continued)

#### STATE SCHOOLS FOR THE SEVERELY HANDICAPPED TRUST FUND

The Handicapped Children's Trust Fund was established to receive gifts and bequests from individuals who wish to assist the State Schools for the Severely Handicapped. The money in the fund is invested each year in short-term securities or used to purchase supplies, equipment, and materials used in the state schools.

#### Fiscal Year 2006 Governor's Recommendations

Continue funding at the current level.

### COMMISSION FOR THE DEAF AND HARD OF HEARING

Section 161.400, RSMo, authorized establishment of the Missouri Commission for the Deaf and Hard of Hearing within the Department of Elementary and Secondary Education. SB 568 (1994) established a Board for Certification of Interpreters within the Commission for the Deaf. The board is responsible for certifying interpreters for the deaf prior to licensure.

#### Fiscal Year 2006 Governor's Recommendations

- \$2,409 for pay plan, including \$2,109 general revenue.
- (\$14,346) reallocated for information technology resources that will be administered by the Office of Administration, including (\$2,346) general revenue.
- (\$79) reallocated for payment of overtime to nonexempt employees as required by HB 1548 (2004).

### TRANSFER OF FUNDS TO OUTSTANDING SCHOOLS TRUST FUND

The Outstanding Schools Act (1993) provides revenues for the formula equity provisions of the act. These revenues are transferred from general revenue into the Outstanding Schools Trust Fund to pay for the initiatives in the Outstanding Schools Act.

#### Fiscal Year 2006 Governor's Recommendations

- Total funds to be transferred from general revenue to the Outstanding Schools Trust Fund \$ 435,800,000

	FY 2004 EXPENDITURE	FY 2005 APPROPRIATION	GOVERNOR RECOMMENDS FY 2006
General Revenue Fund	\$ 394,400,000	\$ 396,200,000	\$ 435,800,000

**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION****TRANSFER OF FUNDS TO STATE SCHOOL MONEYS FUND**

Funds are transferred from general revenue and the Gaming Proceeds for Education Fund to the State School Moneys Fund to meet appropriation obligations.

**Fiscal Year 2006 Governor's Recommendations**

• Total recommended appropriation from State School Moneys Fund	\$ 2,325,709,602
• Less amount available in State School Moneys Fund from gaming proceeds, the School Building Revolving Fund, cigarette taxes, investment earnings, Ferman Memorial funds, and the balance	<u>(378,149,709)</u>
• Total funds to be transferred from general revenue to State School Moneys Fund	\$ 1,947,559,893
• Total funds transferred from Gaming Proceeds for Education Fund	<u>271,714,074</u>
• Total transferred to the State School Moneys Fund	\$ 2,219,273,967

	FY 2004 EXPENDITURE	FY 2005 APPROPRIATION	GOVERNOR RECOMMENDS FY 2006
General Revenue Fund	\$ 1,837,494,202	\$ 1,945,559,893	\$ 1,947,559,893
Gaming Proceeds for Education Fund	<u>249,080,433</u>	<u>239,950,000</u>	<u>271,714,074</u>
TOTAL	\$ 2,086,574,635	\$ 2,185,509,893	\$ 2,219,273,967

**TRANSFER OF FUNDS TO SCHOOL DISTRICT BOND FUND**

SB 301 (1995) allows up to \$7 million to be transferred from the Gaming Proceeds for Education Fund to the School District Bond Fund for use by the Missouri Health and Educational Facilities Authority to pay costs associated with school bond issues and credit enhancement.

**Fiscal Year 2006 Governor's Recommendations**

- \$45,926 Gaming Proceeds Fund for transfers to the School District Bond Fund.

	FY 2004 EXPENDITURE	FY 2005 APPROPRIATION	GOVERNOR RECOMMENDS FY 2006
Gaming Proceeds for Education Fund	\$ 450,000	\$ 450,000	\$ 495,926